



**U.S. Department of Justice**

*United States Attorney  
District of Maryland  
Northern Division*

*Thomas M. DiBiagio  
United States Attorney*

*Vickie E. LeDuc  
Public Information Officer*

*6625 United States Courthouse  
101 West Lombard Street  
Baltimore, Maryland 21201-2692*

*410-209-4800  
TTY/TDD: 410-962-4462  
410-209-4885  
FAX 410-962-3091  
Vickie.LeDuc@usdoj.gov*

**JUNE 8, 2004  
FOR IMMEDIATE RELEASE**

**FOR FURTHER INFORMATION CONTACT  
VICKIE E. LEDUC, AUSA  
(410) 209-4885**

**31 INDICTED FOR OPERATING A  
DRUG TRAFFICKING AND MONEY LAUNDERING ENTERPRISE**

**Greenbelt, Maryland** - United States Attorney for the District of Maryland Thomas M. DiBiagio announced today that a federal grand jury has indicted Paulette Martin, age 57, of Takoma Park, Maryland, and 30 others with crimes arising from their 3 and 1/2 year operation of a large drug trafficking and money laundering enterprise in the Baltimore-Washington metropolitan area.

The second superseding indictment charges that from at least January 2001 through May 31, 2004, the defendants distributed multi-kilograms of cocaine, crack cocaine and heroin throughout the Baltimore-Washington metropolitan area and had become a major drug source in the Baltimore-Washington metropolitan area. The defendants received their narcotics from organizations in New York, Los Angeles, and the Caribbean areas. Some members of the organization utilized their drug proceeds to fraudulently purchase life insurance policies on individuals without those individuals' knowledge, and collected on these policies when the individuals died. From about June 13, 1995 until March 2004, one of the leaders of this organization, Paulette Martin, worked in conjunction with Richard Gunn, age 52, an insurance agent doing business in Burtonsville, Maryland, to acquire over 17 life insurance policies that were opened on numerous individuals, many of whom also have

criminal backgrounds. As recently as March 2004, Martin and her co-conspirators collected the insurance proceeds as a result of the fraudulent scheme.

This investigation, known as Operation Encore, was initiated in October 2002 by investigators of the Department of Homeland Security, Immigration and Customs Enforcement office in Maryland. This investigation involved a multi-agency drug-money laundering task force including the Prince George's County Police, Montgomery County Police, Maryland State Police, Baltimore City Police, Howard County Police, and Baltimore County Police departments. The Insurance Fraud Division of the Maryland Office of the Attorney General assisted with the insurance fraud investigation, and the Drug Enforcement Administration assisted with the arrests and search warrants.

Beginning June 1, 2004, this multi-agency drug task force executed 30 federal search warrants throughout Maryland, Washington, DC, and New York, resulting in the arrest of 29 individuals on federal drug conspiracy and mail-wire fraud charges. During this enforcement action, agents seized 8 handguns, a ballistic vest, large quantities of cocaine and heroin, and over one million dollars in criminal proceeds that this organization had accumulated through their operation.

Several weeks earlier, the multi-agency task force arrested resident Gwendolyn Levi, age 60, of Elkridge, Maryland, Donna Johnson, age 46, of Landover, Maryland and Juan Manuel Rojas-Castro, age 29, of Bronx, New York. These individuals were found in possession of over 3 kilograms of heroin, a quarter million dollars in cash, and, as part of this organization, have been determined to be responsible for importing large quantities of heroin into Maryland from the New York area.

29 defendants have been taken into custody. The remaining 2 defendants are fugitives and are currently being sought.

“This indictment is another example of our continued commitment to dismantle entire drug organizations that are national and international in scope,” stated United States Attorney Thomas M. DiBiagio.

The maximum penalty for the drug conspiracy count is life imprisonment, and 20 years for the mail and wire fraud related charges.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The case is being prosecuted by Assistant United States Attorneys Deborah A. Johnston and Bonnie S. Greenberg.